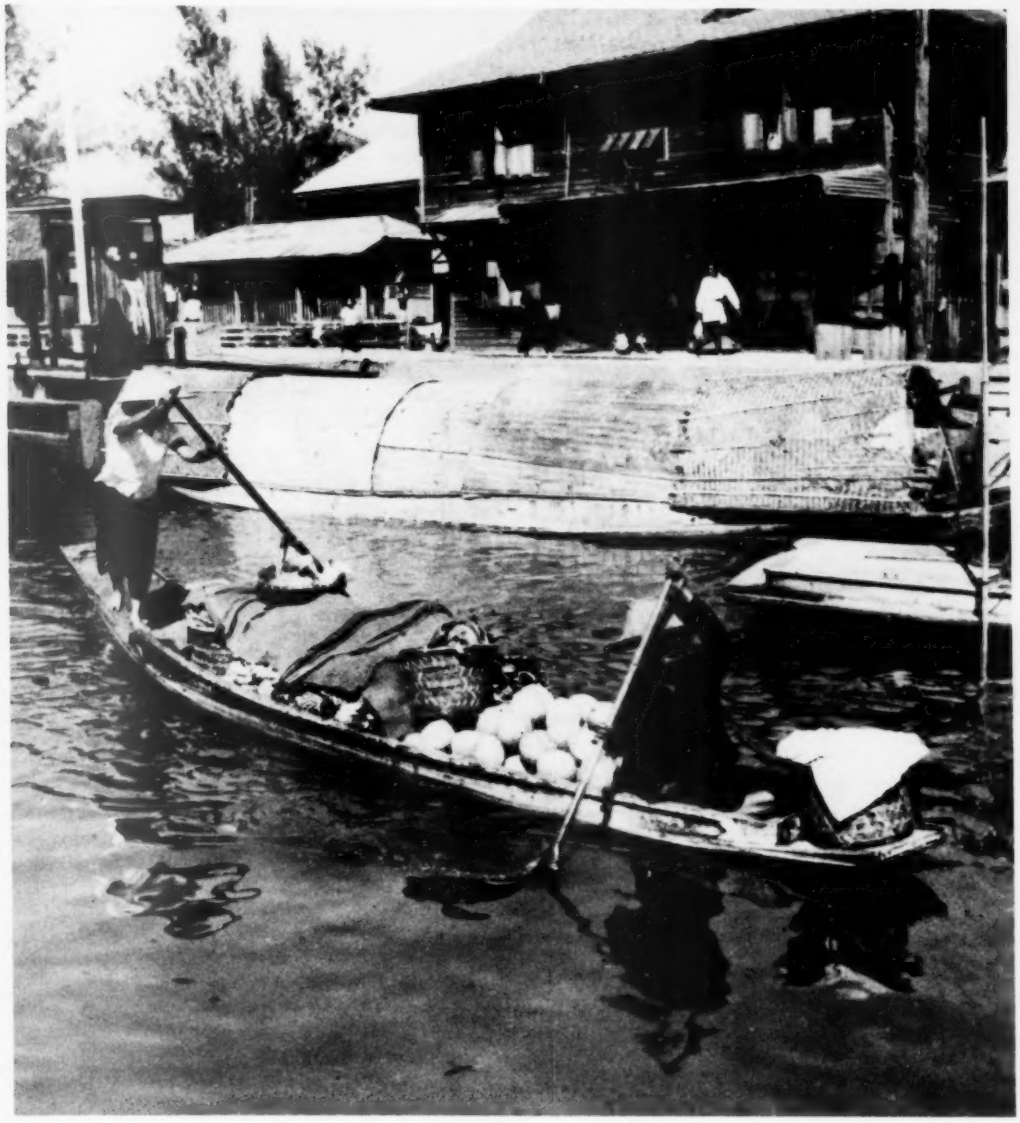
FOREIGN AGRICULTURE



MARCH 26, 1973

Brazil Cuts 1973 Beef Exports

Thailand's Farm Trade

FOREIGN AGRICULTURAL SERVICE
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This week's cover:

A typical load of farm merchandise being transported on one of Bangkok's canals. Thailand has become an important trading partner of the United States and in 1972 bought U.S. agricultural products valued at $58.1 million, while it sold large quantities of rubber, sugar, and other commodities to this country. See story beginning on page 8.

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Cattle destined for slaughter tread the road to Recife—the main port city in Brazil's arid Northeast.

BRAZIL CURTAILS 1973 BEEF EXPORTS

By HAROLD RABINOWITZ
U.S. Agricultural Officer
São Paulo, Brazil

BRAZIL, LIKE MANY other countries today, has found its ambitious beef export goals complicated by Government focus on another important objective: curbing inflation. The result has been an almost 30-percent reduction in 1973 beef export plans as the country allocates increased supplies to domestic consumers and curtails a 6-year trade expansion that has made Brazil a major beef exporter.

Rising at a 15-percent rate in 1972, inflation has become an issue of Government concern, despite the fact that present rates are much improved over the rampant inflation of past years. This concern has been transferred into determination to keep the cost-of-living increase this year at 12 percent, partly through the reduction of beef exports plus decreases in prices to cattlemen and in the value-added tax on cattle sales. The concentration on beef reflects its dominance of Brazil's food-price index, coupled with price jumps that have traditionally accompanied the seasonal drop in production during the "entresafra" (between harvest) dry season.

The export reduction's actual impact on foreign exchange earnings, however, is expected to be softened by the high world beef prices now prevailing. Also, some sources believe export restrictions may ease before the year's end.

The change in 1973 export plans came as a surprise to many Brazilian cattlemen, meatpackers, and exporters, who had been anticipating another record export year and were preparing accordingly.

Also, as expected, the Government has announced in early December the details of its revised meat stocks and export program. Titled the "Beef Commercialization Plan for 1973," the plan called for higher exports, forecast at 203,000 tons, compared with 169,000 in 1972, coupled with measures to avoid domestic shortages and consequent runaway retail prices. These goals were to be accomplished mainly by a further liberalization in the Government's 1972 export formulation while obligating meat exporters to stock 85,000 tons of frozen beef (compared with 40,000 in 1972) for the domestic market during the August-December entresafra season of 1973.

In addition, the program called for unrestricted exports of 70,000 tons of beef not to be tied to stock requirements, storage of 1 ton of frozen beef for every additional ton exported from central Brazil and a ton for every 3 tons shipped from Rio Grande do Sul, and an additional 18,000 tons of beef for export by firms that have not previously exported it. The program also obligated every meat exporting firm to supply the domestic market with at least 50 percent of its slaughterings in Rio Grande do Sul and 60 percent of those in central Brazil, with export licenses to be suspended if firms violated the provision.

Except for disgruntlement over what some meatpackers regarded as excessively high frozen beef storage requirement—in both quantity and cost terms—reaction to the Government's plan was generally laudatory.

Shortly after the beginning of 1973, however, it became readily apparent that domestic price considerations were to become the Government's overriding economic concern. On New Year's eve, President Medici announced to the nation that "the Government can hold the cost of living increase in 1973 to 12 percent."

Later, faced with rapidly rising retail beef prices following the freeing of beef-price ceilings at the close of the entresafra, Finance Minister Delfim Netto warned meat packing and exporting firms that "the Brazilian consumer will have priority over the foreign consumer in the supply of meat."

Brazil's National Monetary Council then announced a series of specific Government measures, effective immediately, which were designed to ensure adequate beef supplies for domestic consumption at reduced retail prices. They included:

- Imposition of a "contribution quota" of US$200 per ton on meat exports in order to "equalize" profit margins between foreign and domestic markets.
- Reduction by 29 percent in the beef export goal for 1973 and postponement until March of the Government's frozen beef stocking plan for the 1973 entresafra.
- Reduction in the payment period to 30 days for rural promissory notes in transactions between cattlemen and meat packing firms.
- Reduction by an average of 63 percent in the ICM (value-added) tax levied on all sales of live cattle—from 15.5 percent to 5.0 percent in all of Brazil except the Northeast. In that region, the ICM was dropped from 16.5 percent to 6.0 percent. The Government promised State officials that the resultant loss in their ICM revenues would be compensated partly by the $200-per-ton tax on beef exports.

THE ICM REDUCTIONS were reflected almost immediately in wholesale and retail price cuts. Meat packinghouses are now charging butchers and supermarkets about 37 U.S. cents a pound for hindquarters and 26 U.S. cents for forequarters parts. Comparable prices at the beginning of the year were about 47 cents and 35 cents, respectively.

Prices paid to meat packers for hindquarters and forequarters a year earlier were the equivalent of 30 and 22 U.S. cents per pound respectively. Although the Government does not fix prices at the retail level, supermarkets and butchers traditionally have been permitted by the Government's Food Supply Superintendency (SUNAB) to operate on profit margins of 40 percent and 50 percent, respectively. The retailers are required by law to post their prices in a prominent display that can easily be seen.

Cattlemen as of January 1973 were being paid the equivalent of US$11.33 per arroba (33 pounds) of beef (liveweight basis), compared with US$12.13 during the entresafra—by Brazil's principal packing plants, compared with about US$9.82 a year ago. As a consequence of the ICM tax reductions, however, Brazil's meat industry associa-

tion (Sindicato da Industria do Frio) lowered the maximum to US$10.52 per arroba effective in the first half of February and US$9.70 effective March 1 in order to maintain their reduced prices to butchers and supermarkets.

THE ASSOCIATION ALSO promised to police its members and report to the Government excessive beef price payments made to cattlemen.

Cattlemen association officials on their part have been protesting the lower prices, maintaining that their costs of production will hardly be covered at the new levels. They have further warned that the reduced prices will discourage cattle production in general and herd expansion on Brazil's frontier in particular.

The President of Brazil's large Nelore (zebu) cattle breeders association blamed rising beef prices on excessive profits by Brazil's meatpackers. The association also petitioned President Medici to remove the $200-per-ton export tax; completely remove the ICM tax on beef and meat sales; retain the Government's original beef export policy; continue its fiscal incentives to cattle raising projects in the Amazon region; and withdraw SUNAB's intervention in beef price-control operations, which, the association claims, directly benefit meatpackers while prejudicing cattlemen.

The President of São Paulo's Cattle Breeding Association suggested that beef exports in 1973 could actually be increased to 250,000 tons if poultry and swine were included in the domestic meat consumption program.

During most of January, the evolving beef export and pricing policies were given prominent treatment in Brazil's newspapers, with particular emphasis on price changes at the retail level. This is because beef prices are by far the most heavily weighted item in consumer indices in south central Brazil's major cities. São Paulo's State Secretariat of Agriculture, for example, estimates that more than 26 percent of the family food budget (in São Paulo) is currently spent for beef purchases.

Given President Medici's request to hold inflation at 12 percent this year, it is not likely that the Government will permit beef prices to rise by more than this rate, even during the next entresafra period.

Although cattlemen are unhappy over their reduced returns, they are not expected to withhold beef cattle from packing plants. Availability of fat cattle for slaughter in 1973 is probably little higher than a year ago (although in 1975 and thereafter large numbers of additional fat cattle should be available as a result of herd expansion programs underway).

According to meat trade officials, large city centers may be getting more beef supplies than required as a partial consequence of the Government's postponement until March of its beef-stocking program.

On the export side, Brazil's large meat-packing plants are apparently able to export the higher priced boneless beef and other sophisticated beef cuts at satisfactory profit margins despite the $200-per-ton export tax.

It is likely, therefore, that total beef export value could reach new records in 1973 as a result of rising world demand, even though tonnage will be reduced to around 145,000 tons from the earlier goal of 203,000. Optimistic meat trade officials, moreover, believe the Government may decide during the second half of 1973 to permit total exports to reach about 165,000 tons.

Also to be taken into account are Brazil's ambitious long-range goals for beef, which see this as one of the major industries for the vast Amazon basin area now being exploited.

Spokesmen for Brazil's livestock industry, for instance, have conjectured that by 1980 Brazil should become the world's No. 1 beef exporter. They point out that vast untapped land areas in the Amazon Basin and west central Brazil are steadily being developed. These will eventually provide pasture grazing areas to supplement those of traditional cattle regions of south and south central Brazil.

According to the livestock specialists, Brazil probably has the world's most advantageous physical resources and climatic conditions for cattle herd expansion. And the exportable beef surplus has been projected to increase to about 855,000 tons by 1980.

Brazil's cattle herd, officially estimated at about 85 million head in 1972, is forecast at 88 million this year—the world's third largest after the United States and the USSR.

Brazil's comparatively low slaughter rates and meat yields per carcass explain the apparent inconsistency between the large herd and the annual shortage of beef during the entresafra. For example, Ministry of Agriculture data show that Brazil's slaughter rates and meat yields averaged only 10.1 percent and 380 pounds per animal slaughtered during the last 4 years recorded. Moreover, they represent mediocre progress from 10 years ago, when slaughter rates were about 9.5 percent and meat yields 366 pounds.

During the past few years, however, livestockmen, with Government financial incentive and technical assistance, have been working to make Brazilian cattle and meat production more efficient. Pasture improvements and better breeding and management practices are expected in 2-3 years to reduce the time required to bring cattle to slaughter weights from 4 years to 3 years or less, while substantially reducing herd and weight losses during the dry season. Thus, it had been expected that exports of beef would continue to advance while meat production increased to satisfy expanding demand at home.

The table illustrates the nearly phenomenal growth rate registered by Brazil's beef exports in recent years. Rising every year, from a modest 18,117 metric tons in 1967, exports during the year just ended totaled 168,924 tons—a nearly 10-fold increase over the past 6 years and 37 percent above the 1971 record. In value terms, 1972 beef exports totaled about $169 million, f.o.b.—exceeded only by coffee, iron ore, sugar, soybean products, and cotton.

Some of these exports have moved to the United States in the form of canned and cooked frozen meat, of which U.S. purchases totaled 47 million pounds, valued at $34.9 million, in calendar 1972. The United States is not a market, however, for fresh or frozen beef because of foot-and-mouth disease in Brazil.

BRAZILIAN BEEF EXPORTS, 1967-72
[In metric tons]

Year	Fresh, chilled or frozen	Canned	Total
1967	11,577	6,540	18,117
1968	39,247	14,535	53,782
1969	77,564	15,241	92,805
1970	98,309	16,552	114,861
1971	88,741	34,313	123,054
1972[1]	137,654	31,270	168,924

[1] Preliminary.

Cuban Sugar Output Down Despite Second Highest Acreage

By LINDA BERNSTEIN SCHNEIDER
and HANS G. HIRSCH
Foreign Demand and Competition Division
Economic Research Service

Notwithstanding the fact that Cuba's sugarcane area appears to have undergone comparatively little shrinkage from the record of 1969-70, its sugar production has slumped within 3 years from 12 percent of the world total to 6 percent. High acreage alone does not seem to have brought the sugar production results that had been hoped for at the time these large plantings were made.

Over the 3 years, other factors have come into play to influence sugar output. In the current (1972-73) campaign, for example, heavy rains during February—added to various bottlenecks in the industry—slowed the pace of sugarcane grindings. Last fall the USDA estimated Cuba's 1972-73 sugar production at 5.5 million metric tons. However, in the light of discouraging news on the progress of the harvest, USDA specialists feel that output will probably be substantially less, and there is some possibility that it might not even reach 5 million tons.

CUBA: SUGAR PRODUCTION AND CANE AREA HARVESTED, 1949-50 TO 1972-73

Year	Area harvested	Production (raw value)
	1,000 acres	*1,000 metric tons*
1949-50 [1]	2,884	5,618
1950-51 [1]	3,096	5,759
1951-52 [1]	3,516	7,225
1952-53 [1]	2,493	5,159
1953-54 [1]	2,365	4,897
1954-55	[1] 2,063	4,528
1955-56	[1] 2,461	4,740
1956-57	[1] 3,126	5,673
1957-58	[1] 2,587	5,784
1958-59	2,639	5,964
1959-60	2,856	5,862
1960-61	3,116	6,767
1961-62	2,797	4,815
1962-63	2,654	3,821
1963-64	2,476	4,398
1964-65	2,607	6,051
1965-66	2,419	4,455
1966-67	2,567	6,236
1967-68	2,501	5,315
1968-69	[2] 2,454	4,724
1969-70	[2] 4,312	8,533
1970-71	([3])	5,924
1971-72	([3])	[4] 4,400
1972-73	[5] 3,934	([3])

[1] *Cuba Sugar Year Books,* 1955-60.
[2] Based on Castro's speeches of May 27 and Dec. 22, 1969; area to be harvested.
[3] Not available. [4] Cuba's Vice Foreign Minister in Tokyo, as reported in *The Public Ledger* (London, Oct. 21, 1972).
[5] *Juventud Rebelde,* 20 October 1972.
From FAO Production Yearbooks, unless otherwise indicated.

Preparing for the "Ten Million Ton" sugar production goal of 1969-70, Cuba planned to increase its sugarcane area sharply from the 2.6-million-acre average for the years 1961-62 to 1967-68. Although production fell short of the goal, the 1969-70 area was nevertheless increased to 4.3 million acres.[1]

After that, only fragmentary information on the sugarcane area was available until recently. Meanwhile, sugar production dropped to low levels, after the strain endured by the whole Cuban economy during the massive 1969-70 effort. (See *Foreign Agriculture,* Nov. 23, 1970, and Oct. 18, 1971.)

No reports from Cuba, however, indicated a major cutback in cane acreage as a reason for the production slump. Rather, low yields, reduced application of fertilizer and pesticides, drought, and transportation bottlenecks in the sugar sector were held responsible for the poor showing. In addition, other sectors of the economy, which had suffered neglect during the "Ten Million Ton" drive, were accorded increased attention.

Confirmation of the ERS assessment that cane area had not been much reduced since 1969-70 came from Rafael Francia Mestre, head of the sugarcane team of the Cuban National Institute for Agrarian Reform. In an October 1972 address to the First National Farm Council, he implied that 3.9 million acres were under cane at that date. He stated that 1,351,000 acres had been "developed," 1,726,000 acres "fertilized," and 857,000 acres "irrigated" for 1972-73. This would amount to a total of 3,934,000 acres, provided there was no overlapping between the three categories.

The Cuban official's ambiguous phraseology was somewhat clarified by a later statement attributed to the Canadian Commercial Secretary in Havana,[2] reporting that "the acreage planted is the second highest to date." This would put it below the 4.3 million acres of 1969-70 but above the 3.5 million of 1951-52.

Cuba last fall reported to the 47th Session of the United Nations Food and Agriculture Organization's Committee on Commodity Problems its goal of producing 7.5 million tons of sugar in 1975 and its intention of maintaining an area in line with that plan.[3] Assuming an average yield of 2 tons per acre, and allowing for difficulties like those that have plagued past Cuban sugar campaigns, 3.9 million acres under cane would be an appropriate level. It therefore appears that the area as currently estimated will be maintained through 1975.

Although Cuba's total area under sugarcane has remained high, there are now changes in the replanting program; it is being speeded up, with a view to reducing declines in yield.

Sugarcane is not planted anew every year. Rather, harvests are made from ratoons (successive annual cuttings of the same plant). The highest yields are generally obtained from cuttings made 18 months after planting. As a stand of cane ages, this yield gradually falls, until finally it is necessary to replant and renew the stock.

This period between replantings varies throughout the world. In Cuba, it generally has been 10 years, with the replanting program arranged on a cycle whereby 10 percent of the total area was replanted every year. A cycle of less than 10 years is more common in other sugarcane-producing areas.

(Continued on page 20)

[1] *The Agricultural Situation in Communist Areas: Review of 1970 and Outlook for 1971,* ERS-Foreign 314, April 1971, p. 42.
[2] International Liaison Service, Canadian Department of Agriculture, *Spot News From Abroad,* No. 51, Dec. 22, 1972.
[3] FAO, CCP 72/6/1.Add.2.

International wine expert tells how wine producers and exporters can adapt to—

Changes in World Demand And Markets for Wine

THE WORLD IS paying a lot of attention to wine these days. Certainly, the world of commerce is interested in what is becoming a more widely distributed and more profitable product. As prosperity spreads across greater areas of the world, one of the natural results is a rise in consumption of table wines.

Attitudes toward wines vary importantly between countries where it is indigenous and normally consumed and those where it is still regarded as one of the luxuries of life. Between these extremes are all shades of attitudes; but the general trend is toward more market growth where wine is regarded as a luxury.

The United Kingdom, for instance, has traditionally been an importer of quality wines and has in fact imported very little "vin de consommation." The base of wine drinkers in the United Kingdom is still very narrow, and most of the market growth comes from existing consumers drinking it more regularly. In doing this, they are looking for more everyday wines for economic reasons, thus increasing the demand for table wines. But because of the particular profile of the British wine drinker, there could be an even greater growth in consumption of medium-quality wines just above the "vin de consommation" quality.

In the United States, consumption of wine has increased enormously over the past 10 years, and especially in the last year or two. The first 6 months of 1972, for instance, showed a volume growth in all wines of approximately 18 percent over the 1971 period. And that of imported wines jumped 42 percent.

The change in U.S. demand has been even more dramatic. Startling gains have been made, for instance, in "pop wines"—slightly carbonated winelike beverages of fairly low alcohol content to which a fruit flavoring agent such as strawberry or cherry may be introduced.

The pop wine market is mainly a young one—those drinking alcoholic beverages for the first time—and is the fastest growing part of the U.S. market. Since the base product is still mostly wine from the fermented grape, these wines appeal to young people who are turning away from chemically treated products in favor of natural foods and drinks.

Great potential also exists for the straightforward good table wines, bearing in mind the kind of taste that appeals to the new market. This taste is for wine, either red or white, that would be called "soft" in appeal—full-bodied, light in alcohol, good color, easy to drink. On the other hand, there will probably be less and less place for the big, rough, tannic, high-alcohol wines.

The value range of wine in the world marketplace is very wide, and the price the producer gets varies accordingly. A liter of Chateau Lafite from Bordeaux, the top-branded wine in the world, will bring, for the new harvest, about $30; a liter of straight red wine from the shores of the Mediterranean, perhaps 25 cents. This is the inevitable result of supply and demand working on wines which are of known repute and quality.

But there are plenty of wines of high quality, in the commercial sense, differing only marginally from that of the very best, which gain rewards many times less often, simply because they are not widely known to the consumer. It is the function of commercial companies to give identity and popularity to wines by making them into brands.

There are, of course, other resources for promoting wine. In the past, producers of wine and other products have often discussed cooperative campaigns to encourage consumers to purchase their products. These, however, would need to cost tens of millions of dollars a year.

The best way thus appears to be to establish individual brands and give them a strong identity so that the public can make their own choice freely within a range of products of a known quality.

In doing this, the first step is to study the marketplace and get an impression of what is actually happening. The next step naturally is to contact those who are making it happen—these are the big importers and branded marketers of the countries concerned.

The countries offering the greatest potential, in roughly descending order, are the United States; the United Kingdom; West Germany; Japan; Canada; the rest of Europe, where because of long-established wine drinking habits, trends will probably require a longer period of time to change; and finally the rest of the world.

Brand-name wine can come from any part of the world as long as the production is of the right quality and character. Most of the big companies in wine are looking to the classical areas for immediate development and are quite often buying the vineyards and wine-making companies as they stand. Certainly this is now taking place in Italy, and it is likely to spread. This obviously means a loss of autonomy for the company and country concerned, but reasonable contracts and guarantees can be arranged which safeguard the interests of both sides.

Various ways of operating are available.

Bulk buying, for one, simplifies transport problems, which are great but unavoidable in the wine business. However, this only applies in restricted trading and customs circumstances. No bulk shipments move to the United States, for instance, because there is simply no tax advantage. In any case, the bulk seller will retain less of the

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Adapted from a speech by T. E. Jago, manager of international wine operations, International Distillers and Vintners, Ltd., at the second session of the Committee on Commodity Problems, Intergovernmental Group on Wine and Vine Products, Eger, Hungary, September 1972.

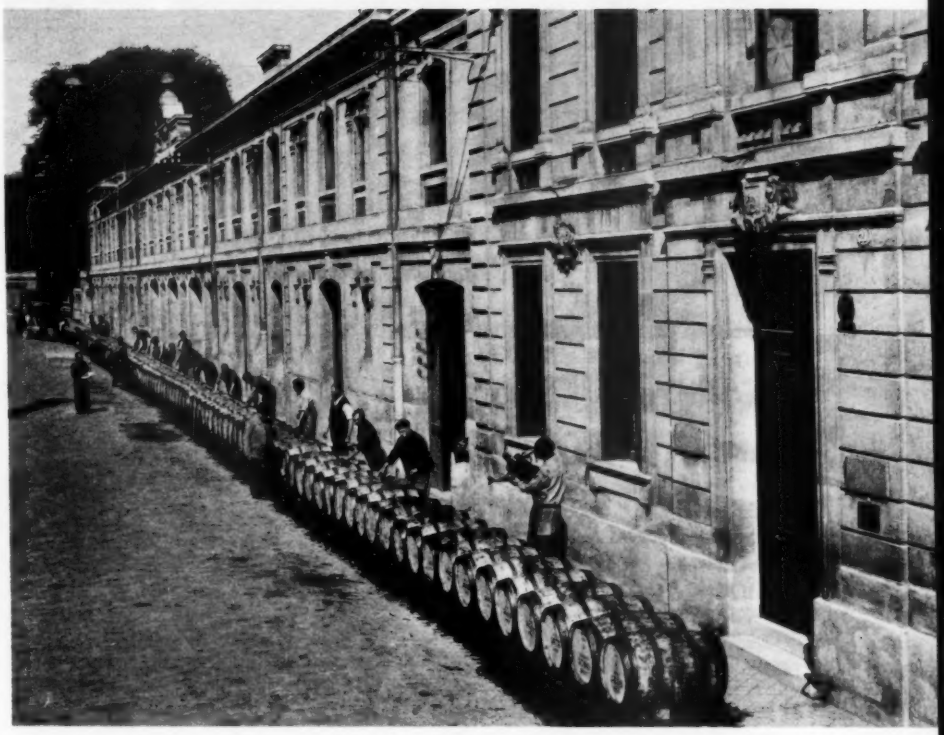
profit because he will possess less of the brand identity.

Long-term contracts are essential but require delicate negotiations to ensure fair shares and long-term security of quality.

Joint companies have a lot to be said for them. The capital risk involved in developing a totally new brand of wine is great, and if this can be shared between the producer and the marketer, so much the better.

The world is full of people who want to drink more wine. They want wine of a kind that will give them pleasure, but the nature of that pleasure is not at all simple. It is not just the alcohol, not just the thirst-quenching property; but a combination of these and other factors—such as taste, the status aspect of buying or offering the product, and participation in cultural groups—that help to give identity both to the consumer and the product.

Everybody has to be flexible from now on in order to benefit by what is undoubtedly a boom situation. There will always be a surplus of wine that is simply wine without qualification. But there will almost always be a need and a market for quality wine that is suited to the consumer.



Above, a Bordeaux wine is prepared for shipment. Tariffs of some countries favor shipment in barrels. Below, hand picking of grapes—still prevalent in some premium vineyards—at Ste.-Croix-du-Mont, France.

A LOOK AT U.S. WINE TRADE

Owing to the rapid growth in domestic wine consumption, the United States remains today, as in the past, a large net importer of wine. In fact, while U.S. exports of wine between 1957 and 1972 only grew from 233,000 gallons to 505,615, imports rose sharply from 8.5 million gallons to 46.2 million. Major suppliers are Italy, France, Portugal, Spain, and West Germany.

There is an interest in expanding the foreign market for U.S. wines—an interest that will grow with the rapid expansion of domestic production. But before this market can be developed to any great extent, problems of marketing, tariffs, and nontariff barriers must be resolved.

These problems are especially pronounced in the traditional wine producing and consuming countries of Europe. Most countries there are parties to the "Madrid Agreement," which prohibits marketing of wines under regional names, such as Burgundy, unless produced in those regions, thus curtailing sales possibilities for many U.S. wines which bear such "generic" labels. For U.S. producers, the problem of generic names presents a dilemma because the terms have passed into the language, and there are no ready alternatives. To many an American consumer, "bergundy" simply means full, dry red wine and "champagne" simply means sparkling white wine—and the area of origin is not even considered.

Another drawback is the European Community's Common Agricultural Policy for wine, with its extensive protection for EC producers. This will be further stiffened in April 1973, when regulations on wine imports from third countries go into effect.

These trade barriers are not insurmountable, but a good deal of work will be necessary to overcome them, especially in Europe and Canada, where Provincial controls similar to State regulations in the United States apply.

Thailand's Rising Farm Trade May Benefit U.S. Farmers

By JOHN B. PARKER, JR.
and GENE R. HASHA
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Economic Research Service

THAILAND'S AGRICULTURAL trade is in the midst of a growth spurt, fostered by economic expansion and rising consumer purchasing power. As a result, Thailand has been able to score further gains in its already large exports and has also become an increasingly important importer of agricultural commodities.

The United States has been a prime beneficiary of the import growth and can be expected to gain further in the future, although competition from other suppliers is stiffening, making this progressively more difficult each year.

As in past years, Thai agricultural exports overshadow imports, but the latter are growing at an accelerated pace. The export tally increased by 8.5 percent between 1967 and 1971 from $501 million to $544 million and then jumped to about $600 million in 1972. Imports, on the other hand, have more than doubled in the last decade—from $48.2 million in 1962 to over $100 million in each of the last 2 years.

Rice continues to be the bulwark of Thailand's export trade, although its relative importance has diminished greatly in recent years as feedgrains, cassava products, kenaf, sugar, and a number of other items have gained. Imports have been boosted by larger purchases of cotton, leaf tobacco, wheat, and flavorings—all used as raw materials by flourishing industries in urban areas.

Import trade. Among the beneficiaries of Thailand's expanded agricultural import trade has been the United States, which now accounts for about half of such purchases. U.S. agricultural exports to Thailand in 1972 totaled $58.1 million, compared with $46.3 in 1971 and only $23.2 million in 1966.

However, U.S. products are facing increased competition from other exporters seeking to develop a market in Thailand. Partly as a result of this, the U.S. share of Thailand's tobacco and cotton imports has declined, although the total trade has increased. Whereas at one time the United States supplied nearly all of these imports, Greece and Turkey have risen in recent years as competitiors in the tobacco market and Brazil and Mexico in the cotton market.

The United States exported 21.7 million pounds of leaf tobacco to Thailand in 1972 for a record value of $35 million. Thailand is expected to make larger imports of U.S. tobacco in the future for blending with domestic leaf tobacco because of rising sales of high-quality Thai filter-tipped brands. U.S. tobacco provides flavor and aroma to domestic cigarettes superior to the tobacco grown in Thailand.

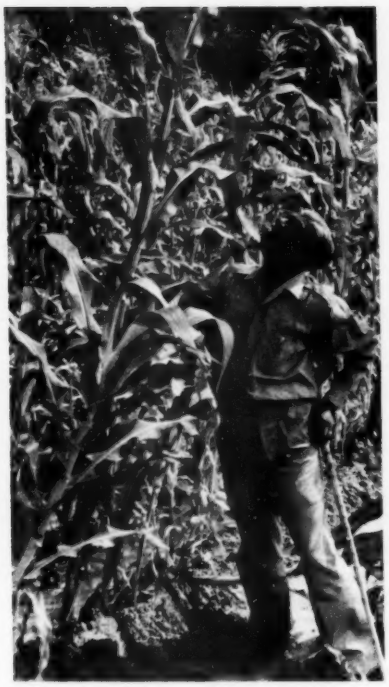
Thai farmers do not complain about rising imports of tobacco. Their exports of tobacco reached a record 13,000 tons in 1971 and made further gains in 1972.

Thailand is a growing market for U.S. cotton because of booming textile mills in the vicinity of Bangkok. U.S. exports of cotton to Thailand in fiscal 1972 at $17.3 million were slightly below the record $18 million recorded in fiscal 1971, but still more than double the level of shipments in the late 1960's. Thailand has a program to become more nearly self-sufficient in textiles. Larger cotton imports are expected in the next few years despite the fact that Thailand's domestic production is increasing.

THAILAND IS A MAJOR market for flavorings exported by U.S. soft drink bottlers. Other important items sent to Thailand include meat and processed foods.

The United States exports about $1 million worth of processed food to Thailand annually. High import duties hinder larger Thai purchases of imported processed foods and instant coffee. Despite the barriers to increased sales, some American-style supermar-

Clockwise from far left: Rice, shown being harvested, is the bulwark of Thailand's export trade. Among other commodities whose sales have grown: Cassava is made into pellets for livestock feed, new varieties of corn are evaluated, factory workers process rubber, and farmer grinds sugarcane at crude mill.



kets display wide ranges of imported processed foods, deciduous fruits, and frozen meats, but at prices more than double those paid by shoppers in the United States. Thailand has been a valuable market for U.S. vegetable seeds because commercial gardening in the region near Bangkok is becoming more important.

U.S. wheat exports to Thailand reached $1.6 million in fiscal 1972—double the value recorded in fiscal 1970. As some consumers reduce the use of rice in their diets, bakeries in the Bangkok vicinity are rapidly expanding output of bread, biscuits, and cakes, especially for use in many of the city's thriving restaurants.

Export trade. Thai agricultural exports increased by 8.5 percent during the years between 1967 and 1971, rising from $501 million in the former year to $544 million in the latter, and to approximately $600 million in 1972.

During the same period, rice exports as a share of Thailand's farm export total declined from 44.6 percent in 1967 to 21.9 percent in 1971, an indication of the diversification that has occurred. In 1972, however, strong world demand and rising prices caused Thailand's rice exports to increase in quantity and value, with rice's share of the country's total agricultural exports climbing to more than 30 percent.

While foreign sales of rice in recent years remained below the record $211 million attained in 1964, exports of other agricultural commodities in 1971 were $136 million higher. Increased exports of corn, grain sorghums cassava products, kenaf, sugar, tobacco, and horticultural items accounted for most of the rise through 1971. Much of Thailand's farm export total is sold to neighboring Asian countries.

DESPITE REDUCED dependence on the sale of rice to acquire foreign exchange, Thailand surpassed the United States in 1971 and again became the world's leading rice exporter and continued to give this country a close race during 1972. Thailand's total 1972-73 rice production is estimated at about 10 percent below the 13.5 million tons harvested in 1971-72 because of a long drought followed by heavy rains and flooding. Production in farm areas near Bangkok, which provide most of Thailand's exportable supply, is expected to rise slightly this season.

Glutinous rice production, which is concentrated in the northeast, has been hit hardest by a sharp reduction in output, which normally exceeds 4 million tons of paddy annually. This will create problems for Laos, which receives over 60,000 tons of milled glutinous rice from Thailand each year.

Drought during July and August 1972 delayed transplanting of rice in paddy fields, causing the rice harvest to be more than 6 weeks late. Very little of the rice produced in 1972 was exported in that year because most of the harvesting occurred in December and January. Export availability of milled rice from the 1972 crop is expected to reach 1 million tons in 1973. If weather permits normal transplanting of rice in July 1973, Thailand might have additional supplies of rice to send to world markets in the last 2 months of the current year.

Thailand's rice exports in 1972 reached a record of 2.1 million tons—topping the 1.9 million tons exported during the previous peak in 1965. The dramatic increase in Thai exports from 1 million tons in 1970—when most Asian countries enjoyed good rice harvests—to the large shipments of 1972, provided a boost to Thailand's foreign exchange position. The value of Thailand's rice exports increased from $121 million in 1970 to about $220 million in 1972.

Low prices prevailed during the first half of 1972, when shipments were 56 percent higher than the comparable part of 1971, but between July and November, rice export prices increased more than 30 percent.

The Thai Government reinstituted the export premium (tax) on certain rice grades in August 1972, the month when export prices recorded their most striking gain. This resulted in higher prices for foreign buyers. Farm prices for rice have shown modest gains as a result of buoyant foreign demand and low levels of stocks held by traders and exporters in Bangkok.

A shortage of exportable supplies of rice in other Asian countries and growing demand for imported rice in the Philippines, Bangladesh, the Khmer Republic (Cambodia), and Africa contributed to the boom in Thailand's 1972 rice exports.

The dramatic reversal of the Philippines from a self-sufficient country to one importing large quantities of rice in late 1971 and early 1972 was responsible for much of the booming demand for Thai rice. Thailand exported no rice to the Philippines during 1968-70, and in 1971 delivered only 215,000 tons. But Thai rice exports to the Philippines in 1972, fi-

nanced through various methods, increased by 53 percent to approximately 330,000 tons.

Exports of Thai rice to traditional markets in Hong Kong and Singapore also rose in 1972, exceeding 150,000 tons to each of these urban trading centers. The absence of Cambodian rice in these markets contributed to the rising purchases of Thai rice. The Khmer Republic had to cease exporting rice in late 1971 because of disruptions the Vietnamese war caused in rice production and distribution patterns.

Thailand's exports of rice to the Khmer Republic increased from a low of 14,000 tons in 1971 to about 66,000 tons in 1972. Another new customer for Thai rice in 1972 was Bangladesh, which purchased 95,000 tons.

ONE OF THE MOST spectacular new export commodities for Thailand in the last 12 years has been corn. Thailand plans to export 3 million tons of corn by 1976, although the drought caused a temporary setback in exports last year.

Thailand's exports of corn during 1972 are estimated at 1 million tons, compared with 1.8 million tons in 1971 and 1.4 million tons in 1970. The value of corn exports increased from $12 million in 1959, the first year of significance, to a record $105 million in 1971—placing it second on Thailand's list of export commodities. Rising prices will prevent the value of corn exports in 1972 from falling as steeply as the approximately 45-percent decline in quantity.

The 1972 Thai corn export target to Japan, previously set at 1 million tons, has been revised downward to 450,000 tons; and shipments to Taiwan have also been scheduled downward considerably from the original level of 450,000 tons. These reductions are likely to result in expanded opportunities for U.S. corn exports to these markets plus possibly even greater gains being made in some other Thai corn markets.

In 1971, the Soviet Union took 45,065 tons for $3 million.

Rubber was Thailand's second most important agricultural export during the last decade, with the exception of 1971, when it was surpassed by corn. Shipments of larger volume in recent years tended to offset declining prices. Rubber exports dropped from $102.5 million in 1961, to a low of $75.7 million in 1967, and then reached a peak of $129.6 million in 1969, when prices rebounded. Lower world prices caused rubber exports to drift downward to a total of $91.4 million in 1971. Japan, the United States, and the United Kingdom are major markets for Thailand's rubber.

Thailand exports over $40 million worth of cassava products annually, mostly to Western Europe and the United States. Exports of cassava pellets for animal feed to the European Community and Japan have increased significantly in recent years.

Disruptions in Bangladesh jute exports caused by military conflicts there in 1971 contributed to a $10 million increase in Thailand's exports of kenaf —a fiber also used for sacks. Thailand normally exports only small quantities of jute but large amounts of kenaf. Kenaf exports in 1971 were valued at $42 million, but they were still below the $77.5 million peak recorded in 1966.

Thailand's tobacco exports increased markedly from only $1.5 million in 1962 to a record $11.3 million in 1971, and they advanced further in 1972. The United Nations boycott of Rhodesian tobacco provided an opportunity for Thai leaf tobacco to find new markets in the United Kingdom, West Germany, Switzerland, the Netherlands, and Belgium. Thai leaf is a relatively low-cost filler tobacco which seldom competes with U.S. tobacco in world export markets.

Recent gains in sugar production enabled Thailand to become a significant exporter of sugar to the United States, Japan, and Hong Kong. Thailand's sugar exports jumped from $3.8 million in 1969 to $22.5 million in 1971 and remained at high levels in 1972. Thailand's share of the U.S. sugar quota in 1973 will be slightly above the 15,693 tons allowed in 1972.

Thailand's exports of fruits and vegetables more than doubled between 1966 and 1971. Exports of canned pineapples to the United States and Europe are rising rapidly and the value for this item is expected to reach $10 million in the near future.

THAILAND: EXPORTS OF RICE TO SELECTED MARKETS, AVERAGE EXPORT PRICE, AND TOTAL VALUE

Destination	1966	1967	1968	1969	1970	1971
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Hong Kong	214	214	132	158	193	210
Singapore	143	119	131	134	137	202
Philippines	49	100	—	—	—	215
Indonesia	167	177	45	81	141	107
Sri Lanka (Ceylon)	112	98	57	31	23	50
Japan	92	137	98	63	18	13
India	181	184	208	114	33	76
Malaysia	154	204	191	137	95	79
South Vietnam	—	60	41	—	60	—
Senegal	—	—	(1)	66	71	149
Other	396	189	165	239	293	521
Total	1,508	1,482	1,068	1,023	1,063	1,622
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Average price per ton	127.38	150.74	169.75	138.22	113.72	86.07
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Total value	192.1	223.4	181.3	141.4	121.0	139.6

[1] Included in other. Department of Customs, Bangkok; U.S. Government reports.

THAILAND: EXPORT PRICES OF SELECTED RICE GRADES

[In dollars per metric ton]

Grade	1972		
	July 24	Aug. 29	Nov. 15
White rice:			
100 percent third grade	144.55	175.80	182.05
5 percent broken grains	139.15	171.00	176.80
10 percent broken grains	98.40	130.70	160.15
Parboiled:			
5 percent long grain	102.25	133.15	149.00

Potatoes and Products Are Thriving Dutch Exports

By CHRISTIAAN J. M. LANGEZAAL
Office of the U.S. Agricultural Attaché
The Hague

The world's largest exporter of potatoes, the Netherlands, is now reported to be the world's top supplier of processed potato products—chips, french fries, and snacks. Moreover, Dutch sales of fresh potatoes, potato starch and derivatives, and seed potatoes are continuing to rise.

Dutch traders export processed potato products to some 40 countries, including the United Kingdom, Scandinavia, and countries in the Western Hemisphere—also markets for U.S. potato products. West Germany is the top Dutch market for these products, receiving about two-thirds of the 130,000 tons exported in fiscal 1971-72.

In recent years, the export value of Dutch processed potato products has soared, rising from $526,300 in 1960 to $16.2 million in fiscal 1971-72, in spite of heavy competition from countries that subsidize exports of these products.

From the 1971 Dutch potato crop, 330,000 metric tons were processed and of these, 40 percent were exported in product form. Of these products, 40 percent were exported as potato mash, french fry powder, or other dried products; 35 percent as precooked french fries; and 25 percent as chips, sticks, and other snacks.

Research is underway in the Netherlands to improve both the quality and number of processed potato products.

Meanwhile, Dutch potato exports, both fresh and processed, rose to more than 3 million tons in 1971, compared to 1.3 million tons in 1960. In the same period, the value of these exports increased to $143 million from $50 million. In recognition of export expansion, the potato industry was awarded the Dutch National Export Prize in 1972—given annually by the Netherlands Council for Trade Promotion.

The development of the Dutch potato industry is even more noteworthy, considering that potato area and production have declined in all other EC countries and most of the rest of Western Europe—although yields are up. Labor costs involved with root crops discourage production. Also, potato consumption is difficult to increase on a per capita basis, although output of potato products has helped the industry to expand.

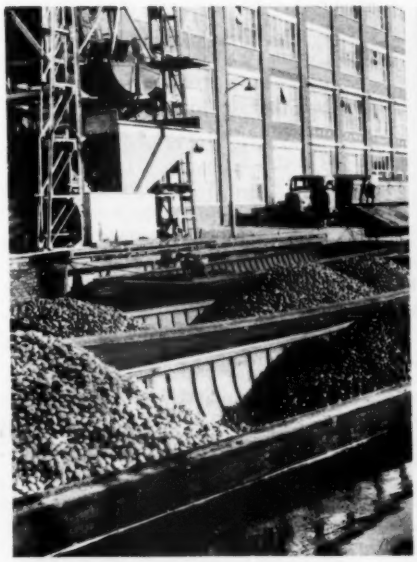
Although Dutch exports of fresh potatoes have tripled in the past decade, the value of potato exports—on a 100-kilogram basis—has risen little. Prices have been kept down by modern production and processing techniques, as well as heavy price competition from other exporting countries. Reportedly, the Dutch industry has operated at a loss during the past several years.

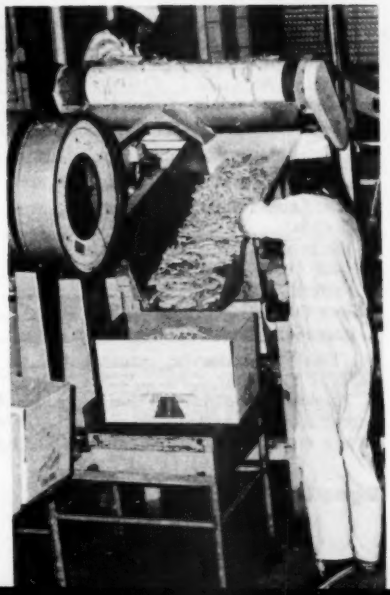
West Germany, including West Berlin, which is also the most important buyer of Dutch potatoes, received more than two thirds of these exports. Another 200,000 tons were exported in 1971 to about 50 other countries throughout the world.

A total of 330,000 tons of potato starch and derivatives valued at $57.1 million was exported in 1971. Potato starch derivatives are also used in other export products. In 1971, more than 250,000 tons of potatoes were processed into derivatives.

The Netherlands is also the world's largest supplier of potatoes for seed, which are exported to 64 countries. Although European Community countries are the largest markets, sales to third countries are rising.

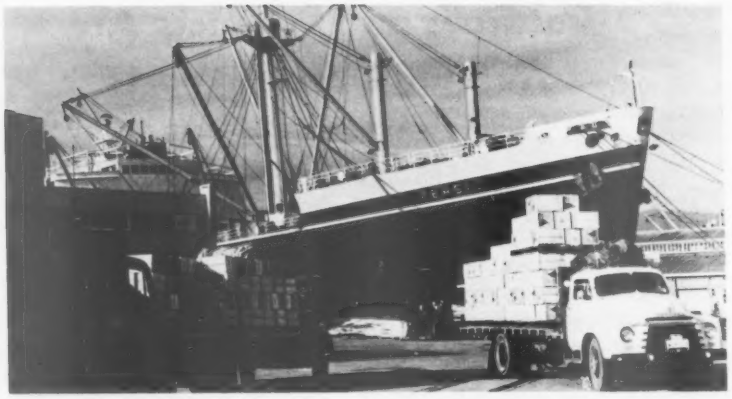
Despite increasing international competition, Dutch exports of seed potatoes have mounted by 20 percent during the past decade. To stimulate seed potato sales, a Dutch foundation sponsors trial fields in other countries and provides advisors on growing conditions and storage facilities.





Potatoes await processing (above) at Dutch potato starch factory. Factories producing potato chips (above right) and french fries (right) have increased sales to make the Netherlands the world's top exporter of these products.

Australia Expects Record Deciduous Fruit Crop But Export Prospects Continue Gloomy



Apples for export arrive at wharf in Hobart, Tasmania. Photo courtesy Australian News and Information Bureau.

Record deciduous fruit production is in prospect this year for Australia—one of the world's top producers and exporters of apples and pears. As in 1972, however, the country will face major problems in marketing its crop abroad as a result of stiff competition from other suppliers, a shortage of shipping facilities, and higher freight rates.

Australia's apple crop promises to be a record one. Currently, it is estimated at 24.1 million bushels, compared with 20.3 million last season and the previous record of 23.3 million in 1970-71. However, dry conditions in nonirrigated areas are causing concern, and sizing could be a problem in some States. The crop in Tasmania—Australia's largest producing State—will be above average at about 7.4 million bushels. Output in Victoria is expected to be unusually large and that in New South Wales will be good for an "off year." A reasonable crop is in prospect in Queensland, and average ones for South and Western Australia.

Pear production is expected to be just over 9.1 million bushels, which would be about 1.7 million more than last year's. Here again, final yield may be somewhat lower than expected because of poor sizing, particularly in New South Wales. The canning pear crop in Victoria promises to be a heavy one, and there is little doubt but what growers will again have a large surplus of Bartletts.

As in 1972, exporters of these fruits are likely to encounter marketing problems abroad, especially since shipping facilities will be limited, freight rates have been increased, and devaluation of the dollar makes the products more expensive in the U.S. market. However, conditions in Europe should be somewhat better than in 1972, owing to severe crop losses from frost in Argentina—an important competitor in the European market—and lighter storage holdings in Western Europe from the 1972 harvest.

There is little doubt, however, that shipping will be a major problem. Not only have conference freight rates to Europe gone up by about 13 percent, but charters are also higher and difficult to arrange.

Conference shipping arrangements for the 1973 season are now for a minimum of 3.7 million bushels, of which 950,000 bushels of space will be available in the peak June 1-20 period. Rates have been increased to US$3.74 per carton (for 1,000 bushels per mark per bill of lading) from US$3.31 last year. A reduction of 10 U.S. cents is being allowed for shipments above 6,000 bushels per mark per bill of lading.

The Australian Apple and Pear Board is making strong efforts to arrange additional charter space. However, it is clear that it will be difficult and costly to arrange space for all available export fruit. Consequently, the increase in exports of apples may be smaller than the crop prospects now seem to indicate.

Last year, foreign marketing of export fruit was affected by the large supplies of South African and New Zealand fruit, while in Western Europe cold store stocks of domestic fruit also inhibited sales.

(Continued on page 20)

AUSTRALIAN APPLE AND PEAR PRODUCTION, BY STATE
[In thousands of bushels [1]]

Item	1970-71	1971-72 [2]	1972-73 [3]
Apples:			
New South Wales	4,016	4,615	5,100
Victoria	5,079	3,255	5,150
Queensland	2,025	2,000	1,700
South Australia	1,589	1,177	1,500
Western Australia	3,156	2,754	3,200
Tasmania	7,373	6,466	7,400
Australian Capital Territory	6	5	5
Total Australia	23,238	20,272	24,055
Pears:			
New South Wales	736	957	900
Victoria	7,061	5,225	6,800
Queensland	172	130	170
South Australia	649	578	600
Western Australia	178	223	250
Tasmania	397	317	420
Australian Capital Territory	(4)	(4)	(4)
Total Australia	9,192	7,430	9,140

[1] Apples, 42 pounds per bushel; pears, 45. [2] Estimates by State Statisticians or State Departments of Agriculture, subject to minor revisions. [3] Forecast by attaché based on current crop conditions. [4] Less than 500 bushels.

Karakul Is Large Export Earner in Southern Africa

By WILLIAM R. HATCH
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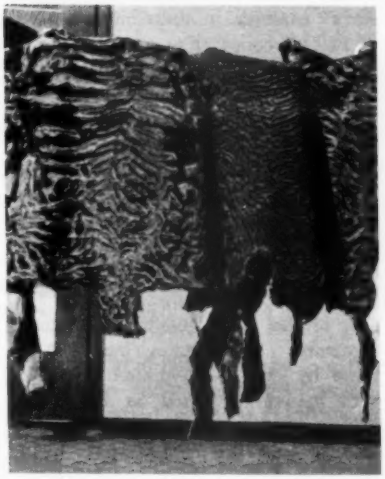

Karakul ewes with lambs in South-West Africa (top), where an increase in karakul sheep numbers and rising prices for pelts (above) in recent years are adding significantly to export profits.

Karakul prices and production are climbing steadily, adding substantially to export earnings in both the Republic of South Africa and South-West Africa, which together produce about half of the world's supply.

In fiscal 1972, the two areas sold a total of 5.6 million pelts for a total value of $62.8 million or an average of $11.13 per pelt. In comparison, 5.1 million pelts, averaging $7.23 each, netted only $37.2 million in 1970. In addition to the income from pelts, karakul wool accounts for export earnings of about $3.1 million annually and mutton is sold domestically.

Karakul pelts are sold at the London fur sales, where Germany is the largest buyer—taking about 60 percent—and the top consumer. In 1970, South-West Africa and South Africa were the largest supplier of pelts to Germany. Italy is the second largest buyer, purchasing 20 percent—much of this the choicest skins for coat manufacture. The rest of Europe takes about 10 percent and North America, mostly Canada, the remaining 10 percent.

The United States is a relatively small purchaser of karakul pelts, but a growing number of U.S. tourists are buying karakul coats in Europe where manufacturing costs are lower. Greece is producing a substantial number of coats for sale in Germany, reportedly for less than $100 each over the cost of the pelts.

The Karakul Board, which sponsors promotion and research on karakul, is promoting pelts from South-West Africa and South Africa under the patented name of Swakara. These are smoother, less curly pelts—described as water silk—resulting from special breeding and selection. Of about $1.5 million for the program, $416,250 has been spent on promotion in the United States. In spite of the small number of direct pelt sales to this country, the Board feels that acceptance of Swakara in the United States would aid in developing a large, new market.

Africa's karakul industry started in 1907 when a few karakul sheep were imported into the German colony of South-West Africa and from the German Research Station at Halla. The sheep competed with goats for utilization of sparse grazing in the desert land in the southern (Kalahari) section of South-West Africa. Today, the industry provides substantial export income from use of lands that would otherwise have been unused or yielded a very meager income.

In recent years, declining wool prices and an increase in the price of karakul has caused a substantial rise in numbers of karakul sheep, which now number about 4.4 million in South-West Africa and 1.72 million in South Africa.

Interest is high in upping production further. Existing herds are increasing steadily and expanding beyond the usual production areas—centered at Keetmanshoot in South-West Africa, and south and east of production areas in South Africa.

The increase in karakul sheep numbers in South-West Africa and South Africa is being achieved by saving more ewes for breeding and by crossbreeding to develop new strains. Black-headed Persians, used by merino sheep breeders for mutton, cross easily with karakul. The first cross is worth only about one-third the value of pure karakul, but the pelts then grade up quickly.

Some concern has been expressed that such rapidly increasing production could flood world markets, causing prices to drop. Recently, one of South Africa's leading researchers on karakul warned against too rapid expansion in production, limiting industry profits.

Sales of karakul breeding sheep are held every month. The average price of old ewes sold at auction is about $15. However, there is active interest in stud breeding.

The Neudam Experiment Station, which probably has the best karakul herd in the two countries, holds sales annually. Eight-year-old bred-ewes are sold, from which buyers hope to get rams. A number of rams are also sold.

In 1972, the experiment station sold 285 old ewes at an average price of $622.50, the highest selling for $1,250. The alltime record for an 8-year-old ewe is $2,250. In 1972, 104 rams sold at an average price of $1,330, the highest price paid was $8,750. The all-time record price for a Neudam ram was $13,750, paid in 1963.

Potential in Far East for U.S. Poultry Meat Sales

A NEW MARKET of a quarter of a billion people exists in the Far East for the U.S. poultry meat industry, according to Curtis Collier, Far East Director, Poultry and Egg Institute of America (PEIA).

Mr. Collier used Japan for a "success story" example in describing his area of PEIA's cooperative overseas market development program to the Kansas City Marketing Conference.

Since the 1961 opening in Japan of the first International Trade Development Board office of PEIA, Mr. Collier reported, U.S. poultry meat sales have expanded steadily. In 1960, U.S. poultry exports to Japan had amounted to only $358.33. By 1965, they had climbed to $3.6 million and in 1971, they totaled $6.1 million. In January-September 1972, sales increased in value by over $4.9 million compared with the same period in 1971, and still consumption in this expanding economy is only 20 percent that of the United States.

For fiscal 1973, Mr. Collier said realistic goals for U.S. poultry sales to Japan are 7,000 tons of chicken and chicken products valued at $6 million; 1,000 tons of turkey and turkey products valued at $1 million; 1,000 tons of deboned poultry meat valued at $500,000; and 500 tons of all other products valued at $500,000. This would give a combined total of 9,500 tons of product valued at $8 million.

Looking further ahead, the 1975 goal in Japan is 10,000 tons of U.S. product valued at $10 million, and the 1980 goal, 15,000 tons valued at $15 million.

To help achieve these goals, Mr. Collier said, the basic program of PEIA consists of six major activities:

- Developing trade interest by demonstrating new products with emphasis on sales, sales profit potential, and laborsaving possibilities.
- Setting up pilot demonstrations by getting a restaurant, hotel man, or retailer to use the product at an obvious profit. One such demonstration has been successfully combining U.S. soy protein and deboned poultry meat to make "chickenburgers."
- Providing the trade every 2 months with the *U.S. Poultry Merchandiser*, which contains current information as well as a list of U.S. suppliers, and displaying U.S. processors' brochures and product in its office.
- Stimulating cooperation among the trade association, the U.S. Government, and the local trade.
- Developing consumer interest through advertising and point-of-sale activities.
- Working for amicable solutions to problems in communication and international government regulation, through the U.S. Government, the local Government, and trade leaders.

In capturing the untapped market in the Far East for the U.S. poultry industry, Mr. Collier said there are three major problems: The subsidized poultry of other competing countries; unusually high consumer prices created by the local distribution system; and the need for more U.S. processors to be interested in the overseas market potential.

Mr. Collier urged that more attention be given to the choice of product and packaging needed to maintain quality for overseas shipment. The trade there knows quality, appreciates uniformity, and demands that its specifications for a particular shipment be met. He also suggested that when the volume requirements of an overseas buyer are too big for one U.S. processor, three or four companies might pool their production to meet the demand.

Despite the problems, Mr. Collier sees plenty of opportunity. First, distribution systems and trade concepts are changing in the Far East, and U.S. processors can and should take advantage of this. Second, with consumer income high and getting higher, buyers want quality and are willing to pay a reasonable price. Third, when the production efficiency of the U.S. poultry industry is coupled with efficient overseas marketing, exports are bound to result.

For example, 3 years ago not a pound of U.S. deboned chicken was sold for export, but after two successful trade demonstrations, sales were averaging 15 tons per month.

Then in mid-1972, PEIA, USDA's Foreign Agricultural Service, and a landgrant college jointly sponsored promotion lectures by a U.S. expert. The response was overwhelming, and now sales are running 50 percent more than 6 months ago.

This product is the most economical high-quality meat that can be exported from the United States today, Mr. Collier pointed out; and market development is teaching this fact to the trade of the Far East.

Korea Prohibits Production of All-Cotton Textiles for Home Use

The Korean Ministry of Commerce and Industry has announced that after February 10, 1973, production of pure cotton products would be terminated, and thereafter more than 20 percent of manmade fibers will be blended with cotton in the manufacture of textiles for use in Korea.

Industry spokesmen are skeptical that the policy will succeed because most plants producing for the home market are equipped to handle only cotton, and they will find it difficult to shift to blends. In addition, manmade fiber costs reportedly are substantially higher than those of cotton. Reportedly there is no penalty for noncompliance.

U.S. cotton interests will suffer if the Korean policy is successful. Of the total cotton consumption of around 600,000 bales per year, roughly 250,000 bales go into textiles for the home market, and 350,000 into textiles for export. Cotton consumption for home use has not been increasing. If successful, the new policy will reduce Korean cotton use in the home sector. Except for domestic production of around 20,000 bales and imports of 5,000 bales or so from other countries, all Korea's raw cotton is imported from the United States, some under P.L. 480 and some with Commodity Credit Corporation financing.

CROPS AND MARKETS

U.S. Agricultural Office in USSR To Expand

The U.S. Department of Agriculture has announced the expansion of the office of the U.S. Agricultural Attaché in Moscow with the addition of an Assistant Agricultural Attaché. With this addition, the office will consist of three U.S. professional staffers.

Agricultural trade between the United States and the Soviet Union has risen sharply in the past 2 years. Following President Nixon's relaxation of shipping requirements of U.S. agricultural commodities in 1971, Soviet purchases of U.S. food products have been on the upswing.

Since July, 1972, the Soviet Union has purchased about $1.1 billion of U.S. feedgrains, wheat, and soybeans. With these sales, the United States became the largest grain and soybean supplier to the USSR. The Soviet Union is expected to continue as an important market for U.S. feedgrains, soybeans, and soybean products.

China Reports Jump in Canned Food Production

The New China News Agency recently reported that canned food production in the People's Republic of China (PRC) doubled between 1965 and 1972 and the number of canneries soared from 50 to 100.

Factories canning beef and mutton have been located in pastoral regions of China and Inner Mongolia. In the subtropical Provinces of Kwangtung and Kwangsi factories have been established to can pineapples, oranges, and tangerines. Other canned foods include pork, poultry, marine products, and other fruits and vegetables.

Canned food from these factories is for domestic consumption and foreign markets. However, in the past few years the Government has been making major efforts to boost foreign sales. It has assisted communes to produce products that can move in export trade and is believed to have assisted canneries to meet foreign labeling and public health regulations.

The Chinese claim that canned foods are being exported to 105 countries and regions. PRC exports of canned foods to the United States in 1972 included beans, cabbage and other vegetables, mushrooms, pickled nuts, apricots, lemons, mandarin oranges, dates, pineapples, plums, and prunes. Census data show the value of U.S. imports of canned fruits and vegetables to be $205,000.

Mexican Irrigation Project Gets Bank Financing

The Inter-American Bank has approved a $21-million loan to help finance an irrigation project in Mexico's State of Jalisco, which will open up 82,251 acres of land to crop cultivation and livestock production.

Used to harness the water of the Tomatlán River, the project will directly improve living standards for some 3,040 farmers who together with their families total 17,000 persons.

DAIRY AND POULTRY

U.S. Dairy Herd Bought By Italian Breeder

The Paclamar herd of registered Holsteins, one of this country's outstanding dairy herds, has been sold and moved from Louisville, Colorado, to a farm near Rome, Italy. The 157 cattle involved in the sale were shipped in two planeloads on February 19 and 24 and arrived at the Rome airport in good condition.

The herd's buyer, A.L.B.A. (Anoninima Laziale Bonifiche Arrarie), owns and leases several livestock operations throughout Italy, including a purebred sheep farm near Rome and at least two relatively large beef "ranches" in central Italy.

A.L.B.A. breeds and sells purebred Holstein-Friesian cattle at the Salone farm near Rome under the Talenti prefix. Although the Talenti herd was started in the late 1920's with Dutch and Canadian animals, it was revitalized after World War II with U.S. breeding stock. At the present time, no animals of Dutch ancestry remain on the farm. Purchase of the Paclamar herd will strengthen the farm's Holstein bloodline and make available top-grade cattle from a European source. It will also serve as a showcase for American cattle for other European, Middle Eastern, and African breeders.

Italy has been an important market for U.S. registered Holsteins, as well as other cattle. In 1972, U.S. exports of registered Holsteins to Italy represented about one-fourth of all such sales—1,242 head out of 4,041. Registered Holstein sales to Italy in 1971 were 285 head.

Argentine Poultry Meat Output Up in 1972

Argentine poultry meat production in 1972 totaled around 365,000 metric tons, an increase of 25 percent from a year earlier. Broiler production moved up sharply during the first half of 1972 and prices weakened. Production dropped off during the latter part of 1972, however, and prices began to strengthen.

During January 1973 the price of poultry meat in Buenos Aires jumped from 39 U.S. cents per pound to 46 U.S. cents and was expected soon to advance another 20 percent. Even though poultry prices continue to advance and the availability of beef for domestic consumption increases, it is expected that poultry meat production will continue to increase in 1973 but at a slower rate than in most recent years.

The per capita consumption of poultry meat in 1972 increased to 33.5 pounds, up 23 percent from 1971, and a record high.

CCC Approves Loan for Iran

In late February, the Commodity Credit Corporation announced it had approved in principle a $2.3-million loan of Public Law 480 private-trade-agreement sales funds to the Bank Omran of Iran to finance construction and equipping of the country's first modern facility for slaughtering, processing, storing, and distributing poultry, eggs, and other products.

Also in February, the Agricultural Development Fund of Iran concluded arrangements for a $915,000 CCC loan to expand warehouse facilities in the Tehran area. The additional space is needed to store agricultural commodities and supplies, including substantial quantities imported from the United States.

FATS, OILS, AND OILSEEDS

India Sets Ceiling on Peanut Meal Exports

The Government of India has imposed a 600,000-ton limit on peanut meal exports for calendar 1973. Exports in 1972 are estimated at 800,000-850,000 tons. The very short 1972 peanut crop (possibly 4 million tons against 5.7 million in 1971) combined with exceptionally high world prices of meal have threatened domestic availabilities of peanut meal for cattle feed. The shortage of other feeds and fodder in India has further accentuated the need for adequate meal supplies.

Since India's 1973 export availabilities would probably not have exceeded 500,000 tons, except at the expense of domestic consumption, this measure will not really reduce its exports from the anticipated level.

Austrian Soybean Meal Imports Up 23 Percent

Austria's imports of soybean meal in calendar 1972 totaled 148,762 metric tons—23 percent or 28,000 tons above the 1971 volume. Since 1968, when soybean meal imports totaled only 52,000 tons, the annual growth in soybean meal imports has averaged 31 percent. The volume of soybean meal imports from the United States in 1972 was 78,390 tons—up about 6 percent from the previous year. However, the U.S. share of total imports declined from 62 percent in 1971 to 53 percent in 1972 as soybean meal imports from West Germany, which enjoys a major freight advantage, rose by 43 percent in 1972 and totaled 53,318.

New Brazilian Oilseed Control Measure

In a further effort to ensure domestic supplies at prices compatible with the Government's anti-inflation policy, the Brazilian National Monetary Council has imposed export quotas on soybeans and oilseed cakes and meals of all kinds. Beginning February 20, exporters were to sell 1 ton of soybeans (or the meal equivalent thereof) to the Foreign Trade Department of the Bank of Brazil (CACEX) for every 3 tons of the commodity licensed for export. CACEX will pay the exporter a price equivalent to $3.41 per bushel which includes any taxes and storage charges for a period of up to 120 days. The commodity thus acquired by CACEX will be resold for domestic consumption exclusively at a price fixed by the Inter-Ministerial Price Control (CIP).

FRUITS, NUTS, AND VEGETABLES

Filbert Production Up Slightly

The four principal filbert (hazelnut) producing nations report that their 1972 harvest was slightly above the previous season's crop. Production is placed at 318,200 short tons (in-shell basis), 5 percent above the 1971 level.

Italy, Spain, and the United States all recorded lower yields in 1972. Italian production totaled 77,000 tons, 27 percent below last year. Spain's 1972 crop was 21,000 tons, compared with last season's 22,000 tons. The U.S. harvest was 10,200 tons versus 11,400 last season. However, Turkey's 27-percent increase over last year, to 210,000 tons, more than offset the declines recorded by the other three countries.

1972 Walnut Crop Down

The six primary walnut producing nations place their 1972 output at 187,400 short tons (in-shell basis), approximately 8 percent below last season's record output. Virtually all this reduction is due to the 15-percent decline in U.S. production to 115,900 tons. French production improved sharply in 1972, reaching 26,000 tons. Although still below the 1966-71 average of 29,000 tons, it is an outstanding yield considering the severe storm damage French walnuts suffered in 1971. Italian production, damaged by adverse weather, totaled 17,000 tons, compared with 23,000 a year ago. Iran reported a very small decline in output, while Turkey and India recorded mild increases.

Record Almond Output

Almond production during the 1972-73 season is now placed at a record 168,000 short tons (kernel weight basis) for the six primary producing nations. However, this is well below the preharvest estimate of 184,500 short tons. The failure of the U.S. crop to meet preseason forecasts accounts for virtually all the difference. Present data place the U.S. harvest at 76,000 tons, 16 percent below earlier estimates and slightly below last season.

Improved cultural techniques and the maturing of young acreage combined to lift Spain's output to a record 55,000 tons. This is 52 percent above last season and 34 percent larger than the record set in 1968.

Italian production was again damaged by adverse weather. Although the 1972 crop (19,000 tons) is slightly above last year, it is well below the 1966-71 average of 33,600 tons.

Production in Iran, Morocco, and Portugal totaled 18,000 tons in 1972, the same as last season.

TOBACCO

Ecuador Imports Only U.S. Cigarettes

The United States was Ecuador's only supplier of imported cigarettes in 1972, with shipments totaling more than 71.2 million 20-cigarette packs, equal to about 53 percent of the 135.2 million packs consumed in the country. Of the five U.S. companies supplying Ecuador's export demand, three provided about 97 percent of all cigarettes brought into Ecuador. In calendar 1971 imports totaled only 48 million packs.

The 23.3-million-pack increase between 1971 and 1972 resulted from a virtual cessation of contraband cigarette

movements into Ecuador following a reduction in import duties, and a yearly consumption rise of about 10 percent.

Whereas several years ago menthol cigarettes made up well over half the import total, in 1972 they accounted for only 28 percent. Of the 64 million packs produced domestically, 41 million were from Ecuadorean dark tobacco; the balance was made up of imported and domestic light leaf.

Ecuador was the largest market for U.S. cigarettes in Latin America in 1972, although the situation could change. At the present time Ecuador has only one cigarette manufacturer, but a second plant is being built.

It is believed by the Ecuadorean trade that a country the size of Ecuador cannot support more than one or two manufacturing plants, and consequently some cigarette importers fear they may lose their share of the Ecuadorean market in the near future.

The establishment of a second manufacturing plant in Ecuador will probably also increase the cost of high-quality cigarettes. The existing manufacturing plant is supposed to use 70 percent local tobacco to 30 percent imported in its cigarettes. The ratio may be changed but it is not reasonable to assume a reduction in the domestic-tobacco-use requirement to less than 50 percent.

COTTON

Forward Sales of U.S. Cotton May Total 3 Million Bales

U.S. cotton exporters have already sold large quantities of cotton for export from the 1973 crop, according to a number of trade sources. Most estimates are that commitments to date already total 2.1-2.5 million bales, but there are some reports claiming that forward sales already total 3 million.

Included in the above totals are perhaps as much as 600,000 bales destined for the People's Republic of China (PRC).

It is widely accepted in the trade that present commitments to the PRC for 1973-74 are at least that large, and there is considerable feeling that the PRC will again be a major market for U.S. cotton, perhaps a million bales or more.

New Philippines Tax On Raw Cotton Imports

Under a new Philippine tariff schedule effective since the beginning of the year all duty-free items have been eliminated, with the exception of Government imports and relief items. Duties ranging from 10 percent to 100 percent ad valorem will be levied to raise additional revenue for the Philippine Government. The new tariff is calculated on the basis of the f.o.b. price in the home market (excluding excise taxes) plus 10 percent, instead of the ad valorem c.i.f. price basis previously used. This is a substantial trade hindrance in addition to the already existing quotas on agricultural products which have been retained.

Cotton, which was duty-free, is now subject to a 10-percent tariff. This means that cotton has been disadvantaged relative to manmade fibers since most of the latter were formerly subject to a 5-percent ad valorem levy and are now taxed at 10 percent.

The Philippines import most of their cotton from the United States, largely under either Community Credit Corporation (CCC) credit or P.L. 480 programs. Imports have averaged about 164,000 bales (480 lb. net) over the last 5 years (1967-71), the U.S. share being roughly 140,000 bales and increasing as percentage of the total each year. The mills receive little of the benefits of long-term financing, since they must pay the Government for their purchases within 12 months; they will now carry the additional burden of the tariff.

Australia To Harvest Second Bumper Cotton Crop

A second bumper cotton crop may mean that Australia, until recently a net importer, will eventually develop into a competitor for international markets. The 1972-73 crop (August-July year), currently being harvested, is expected to reach 200,000-220,000 bales (480 lb. net), up from 197,000 last season, and an average of 141,000 for the last 5 years (1967-71). With domestic consumption constant at around 132,000 bales for the last 5 years (1967-71) and possibly declining to about 120,000 this season, an exportable surplus of close to 100,000 bales should be available. This represents four times the 1967-71 average exports of 23,000 bales, a figure which is artificially high because of 1969-70 exports of 66,000 bales.

The most recent increase in Australia's crop has occurred since the Government subsidy program was terminated at the end of last season. High prices have been able to sustain the level of acreage planted to cotton under the program. Yields have reached just over two bales per acre in the last 2 years, approximately 20 percent above the 5-year average (1967-71) of 813 pounds. The large harvest should assure substantially higher exports next season.

LIVESTOCK AND MEAT PRODUCTS

Belgian Consumers Can Expect Lower Beef Prices if . . .

Belgian consumers can look forward to lower meat prices in 1973, according to a short-term outlook for beef issued by that country's Ministry of Agriculture. Last year, the report said, short supplies of live cattle had driven prices up, but changes in the import-export ratio of slaughter and feeder cattle should cause prices to recede from 1972 levels and to stabilize toward the end of the current year.

The Ministry cautioned however, that new shortages and price rises could be triggered if the price drop is too precipitous.

Belgium's cattle and calf population dropped 62,000 head between January and August 1972 to a level nearly 9 percent lower than that of the comparable period in 1971, but the Ministry said this reduction was offset by larger imports of slaughter and feeder cattle. During the 1972 period, cattle imports were nearly 100,000 head greater than exports and nearly 77,000 head greater than imports during the same period of 1971.

The Ministry also cited other indications to buttress its contention that more beef would be available in 1973 at lower prices. It said there are strong indications beef producers have slowed down or stopped their movement toward smaller cattle herds and are buying more breeder stock.

The Ministry concluded that all these factors will remove the meat market from pressures it was subjected to last year

with a resultant price drop in the first half of 1973 and a leveling off in the last half. However, if the price falloff becomes so severe it discourages beef producers, new shortages accompanied by a new round of higher prices could result.

USDA Cites Stronger Foreign Meat Inspection Program

The U.S. Department of Agriculture has reassured American consumers that meat and meat products imported into the United States are as wholesome and safe to eat as those produced domestically.

In releasing its annual report to Congress on its monitoring of foreign meat inspection programs and surveillance of foreign meat plants, the Department pointed out that the removal of meat import restrictions last June—to help reduce the pressure on rising meat prices—had resulted in part in an increase of about 100 million pounds of imported meats being shipped to the United States during the year.

The report calls attention to some operational changes in inspection procedures which—though seemingly minor in nature—substantially strengthen the USDA's foreign inspection review program.

For example, USDA officials who review foreign meat plants now have authority to immediately suspend export approval from suspect plants pending a final decision in Washington. This has reduced by 86 percent the time required to stop a foreign plant from exporting meat which may not meet U.S. standards. The time lag for such action had averaged 11.6 days in 1971; it was cut to 1.6 days in 1972.

In addition, these same officials were authorized to immediately stop an actual shipment of meat in transit to the United States from such deficient foreign plants until a plant's export status was reviewed and acted upon.

GRAINS, FEEDS, PULSES, AND SEEDS

Bangladesh Confirms Wheat Purchases

The Bangladesh Government recently confirmed purchase of about 1 million tons of wheat, most of which is scheduled for delivery in the next several months. Spokesmen for the Bangladesh Food Corporation, the public agency which handles grain imports and distribution, indicated that up to 700,000 tons of wheat might come from Argentina, although the total could be less.

Some of the contracts signed by Bangladesh give supplier-trading companies the option of shipping wheat from either the United States or Argentina. Commercial purchases of 300,000 tons of wheat from the United States, however, have been confirmed by Bangladesh.

Grain Exports and Transportation Trends: Week Ending March 9

Weekly export inspections of wheat, feedgrains, and soybeans totaled 1.51 million metric tons for the week ending March 9—a 15 percent decrease from the week before and 13 percent below the February weekly average.

Shipments were: Wheat, 0.62 million metric tons; feedgrains, 0.64 million metric tons; and soybeans, 0.25 million metric tons.

U.S. grain inspections for export total 51.4 million metric tons so far in FY 1973 (July 1-March 9). About 23.1 million metric tons remain to be shipped, or a weekly average of about 1.45 million tons for the 16 weeks remaining in FY 1973.

Grain shipments to the USSR totaled 363,900 metric tons for the week of March 9—up 40 percent from the week before.

U.S. grain shipments to Russia total 8.3 million metric tons so far in FY 1973 (July 1-March 9). Approximately 10.7 million metric tons remain to be shipped, or a weekly average of 669,000 metric tons for the 16 weeks remaining in the fiscal year.

Inland transportation fell somewhat from last week. Railcar loadings of grain totaled 28,700 cars, down 10 percent from last week. Barge shipments of grain, at 588,000 metric tons, were up 10 percent from the week before.

GRAIN EXPORTS AND TRANSPORTATION TRENDS: WEEK ENDING MARCH 9

Item	Week ending Mar. 9	Previous week	Weekly average, Feb.	Weekly average, second quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections for export:				
Wheat	621	575	670	557
Feedgrains	639	711	700	595
Soybeans	247	493	357	351
Total	1,507	1,779	1,727	1,503
Inland transportation:				
Barge shipments of grain	588	537	482	559
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	28,700	31,760	33,251	30,923

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	March 21	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	3.12	0	1.98
USSR SKS-14	(1)	(1)	(1)
Australian FAQ [2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	2.75	−10	1.93
15 percent	2.77	−10	1.98
U.S. No. 2 Hard Winter:			
13.5 percent	2.71	0	1.81
No. 3 Hard Amber Durum	2.94	+1	1.86
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	1.98	−10	1.42
Argentine Plate corn	2.20	−6	1.65
U.S. No. 2 sorghum	2.11	−3	1.49
Argentine-Granifero sorghum	2.07	−8	1.51
U.S. No. 3 Feed barley	1.70	−11	1.20
Soybeans:			
U.S. No. 2 Yellow	6.89	−54	3.67
EC import levies: [3]			
Wheat [3]	[4] 1.66	+4	1.65
Corn [5]	[4] 1.26	+3	1.11
Sorghum [5]	[4] 1.15	+5	1.05

[1] Not quoted. [2] Basis C.I.F. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 23 cents a bu. lower than those of other EC countries.

SUGAR AND TROPICAL PRODUCTS

Sugar Is Brazil's Second Export

Brazil's sugar exports have risen steadily in past years and now stand in No. 2 position. Total sugar exports doubled in volume from 1.23 million metric tons in 1971 to 2.5 million in 1972. Export earnings of US$415 million were second only to those of coffee which totaled US$1.1 billion.

Prices were an important factor in the high value of sugar as the world market price in October at 7.4 cents a pound approached that made under the U.S. premium quota.

Brazil's three major sugar markets were the United States, with a premium quota of 566,000 metric tons; the USSR, 300,000; and the People's Republic of China, 400,000.

India's Tea Harvest a Record; Sri Lanka's Output Falls

India, the world's largest tea producer, harvested a record tea crop of about 453,000 metric tons in 1972, an increase of nearly 5 percent over the 1971 outturn of 432,000 tons. The 1972 harvest in northern India was more than 20,000 tons above the 1971 production of 331,000. However, production in southern India was virtually unchanged from the 1971 outturn of 101,000 tons because of less favorable weather conditions.

U.S. tea imports from India in 1972 totaled 16.8 million pounds valued at $8 million, compared with imports of 22.8 million valued at $11.1 million the year before. Total U.S. tea imports in 1972 from all sources amounted to 151.5 million pounds valued at $62.8 million, off from record 1971 imports of 175.5 million pounds valued at $71.4 million.

During 1972, tea production in Sri Lanka (Ceylon), the world's second largest producer, amounted to 213,500 metric tons, down from the 1971 crop of 217,800 tons. Sri Lanka is the largest supplier of tea to the United States, and imports from Sri Lanka last year amounted to 42.9 million pounds valued at $18.3 million. In 1971 imports were 54.9 million pounds valued at $23.1 million.

Bulgaria Signs New Sugar Price Pact With Cuba

Following a similar move by the Soviet Union a short time ago, Bulgaria has signed an agreement to raise the price paid Cuba for sugar. A Cuban Government statement said Bulgaria will now pay 11 U.S. cents per pound of sugar (equivalent to 200 rubles per metric ton). Formerly, Bulgaria was believed to have paid 5.15 U.S. cents per pound. The new pact came into force January 1, 1973, and will expire at the end of 1975.

During the period 1967-71, Bulgaria purchased an average of 206,000 metric tons of sugar annually from Cuba. In 1971, Bulgaria was Cuba's fifth largest market following the USSR, Japan, China, and East Germany.

Philippine Abaca Exports Climb in 1972

The downward trend in fiber exports which started in 1963 halted in 1972 when exports totaled 113.4 million pounds, up 2 percent from 1971. Favorable weather permitted recovery from storm damage suffered in 1970 and 1971 and, together with the stimulus of higher prices, contributed to a 9 percent increase in production to 161.5 million pounds. This allowed for an increase in domestic consumption, as well as greater exports.

South African Sugar Crop Escapes Drought

The South African sugar industry escaped the full impact of the 1972-73 summer drought. There were, however, certain areas within the coastal sugar belt where the drought in September and October was severe. A record crop of approximately 1,920,000 metric tons of sugar was produced for 1972-73. Two successive record crops have resulted in exports in excess of 1 million tons for the first time—1,025,000 tons for calendar 1972.

The sugarcane crop for the 1973-74 season starting May 1, 1973, appears to be in good condition. The sugar industry has taken the precaution of conserving stocks of export sugar to ensure full supplies in 1973 to all its traditional buyers.

Philippine Sugar Crop Prospects Good

It is now estimated that the 1972-73 Philippine sugar crop will amount to at least 2.3 million short tons. There may be some increase in 1973-74 as some 24,710 additional acres are put under sugarcane to supply new mills not now operating at capacity. Drought in the southern part of the country apparently has had little effect so far on production. Reported transfers of rice and corn lands to sugarcane to avoid land reform are not expected to be very significant, because of the relationship of sugar lands to milling capacity.

West German Honey Imports Dip

After reaching a record high in 1971, honey imports dipped by about 8 percent in 1972 to 98.8 million pounds, close to normal levels. Some hesitation in market activities was reported in late February 1973. This was related to the dollar devaluation as well as resistance to further increases in import prices, which climbed continually throughout 1972 to unprecedented levels.

Panama's Sugar Production Up

Sugar output in Panama for the 1972-73 year will show a substantial increase because of production by a new mill, La Victoria. It is hoped the mill will produce 30,000 short tons of raw sugar in its first year of operation. The 1971-72 planted sugar acreage was 70,225 acres with 79 percent harvested. Cane production was 1,072,000 short tons in 1971-72 and raw sugar production about 96,000 tons.

New Foreign Agriculture Circulars

- U.S. Cotton Exports in January Showed Highest Monthly Total Since December 1964 (FC-7-73)
- Current Status of Cotton and Cotton Product Authorizations Issued Under P.L. 480 (FC-8-73)
- U.S. Trade in Livestock, Meat, and Meat Products (FLM-3-73)

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Cuban Sugar Output *(Continued from page 5)*

Cuba has apparently decided to step up its rate of replanting from roughly every 10 years to roughly every 6 to 8 years. Therefore, about 16 percent of the total area under cane must be replanted every year. Replanting is divided into a spring drive, January through June, and a winter drive, July through December.

A policy statement released more than a year ago (in *Granma,* Feb. 7, 1972), calling for the total renewal of Oriente's planted stock by 1976, pointed toward this change. Oriente, located on the east end of the island, is Cuba's most important sugarcane-producing Province.

There is evidence that for the 1973 spring drive in the three leading sugar Provinces, the percentage of cane to be replanted has been raised from the previous norms.

Spring replanting in Oriente was scheduled to be increased to 251,000 acres, from 136,000 in 1972. Similarly, in Camaguey, the plan was to increase spring replanting to 166,000 acres, from 99,000. Las Villas Province, too, was reported planning to increase its spring drive to 166,000 acres, compared with 86,000. These planned spring replantings add up to 583,000 acres. The three Provinces probably account for about 80 percent of the island's area in sugarcane.

In addition, although information on winter 1973 replanting plans is still very incomplete, an increase of 13,000 acres is said to be slated in Oriente (where 1972 winter replanting had exceeded that of 1971 by 34,000 acres). This would raise the 1973 replanting total to 596,000 acres for the three Provinces.

In December 1972, a nationwide spring replanting goal of 618,000 acres was announced. This falls in line with the policy of annually renewing about 495,000 to 750,000 acres, which Cuba announced last November to the session of the FAO Committee on Commodity Problems.

The Cubans hope that this increase in the rate of replanting, along with the usual planned improvements in cane-growing techniques, processing mills, and transportation facilities, will enable them to approach their 1975 production goal for sugar—Cuba's principal export item.

Australia Expects Record Deciduous Fruit Crop

(Continued from page 12)

As a result, export returns last year for most varieties of apples were unremunerative, and substantial subsidy payments had to be made from stabilization funds. On a volume basis, apple exports dropped some 2.2 million bushels last year to about 5.6 million. Sales to the United Kingdom fell to a little under 3 million bushels, or 750,000 below those of 1971. Exports to West Germany fell sharply—from 1.2 million bushels in 1971 to only 279,000—as did sales to the Netherlands and Belgium, while those to Denmark, Finland, and Sweden were reasonably well maintained. North America also took substantially less than in 1971 because of limited availability of suitable quality fruit, transport problems, and Canadian restrictions to prevent introduction of light brown apple moth.

Exports of pears totaled about 1.9 million bushels last year, which was slightly below those of 1971. The United Kingdom accounted for the largest share—519,078 bushels—followed by the United States, with 274,876. Sales to the United States, however, were off 200,000 bushels from the previous year as a result of scarcity of suitable fruit and shipping problems.

Increased shipments of apples and pears were made to most markets in the Far East and Pacific area, although the largest market there—Singapore-Malaysia—took slightly less apples, about 500,000 bushels, than in 1971.

These poor results in traditional markets, plus the United Kingdom's entry into the Common Market, have caused Australian fruit exporters to give increasing attention to alternative markets. Southeast Asia, particularly, is an important target for market expansion.

—Based on dispatch from
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